

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7378

BILL NUMBER: SB 276

NOTE PREPARED: Mar 27, 2007

BILL AMENDED: Mar 20, 2007

SUBJECT: Wage Payments.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR: Rep. Cheney

BILL STATUS: As Passed House

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires an employer to pay all wages earned to a date not more than ten business days before the payment date. (Current law does not state the requirement in terms of business days.) The bill also defines business day for the purpose of wage payments, and applies the term to claims for wages earned before, on, or after July 1, 2007.

Effective Date: (Amended) Upon Passage.

Explanation of State Expenditures: The impact on the state would be as an employer. The bill would probably not impact the state. Any impact would be a reduction in state costs.

The current law requires wage payments within 10 days but does not specify if the days are calendar or business days. Under current law, if the wages are not paid within the 10 days, there is a 10% penalty of the unpaid wages per day for each day the wages remain unpaid. The employer pays the penalty to the employee. The bill could give the employer up to four additional days to pay employees before the 10% penalty is assessed.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.